2/9/88 A0402-1

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS — January 1988

1987 Industry Shipments Up 6.4 Percent

Total industry net shipments for eleven months 1987, estimated at 15,122 million pounds, were up 6.4 percent from the eleven month 1986 total of 14,219 million pounds.

Domestic shipments of 14,005 million pounds were up 4.6 percent over the eleven month 1986 total of 13,386 million pounds.

For eleven months of 1987, imports of ingot and mill products were down 9.5 percent while exports were up 34.2 percent as compared with the same period of 1986.

THRU NOVEMBER 1987

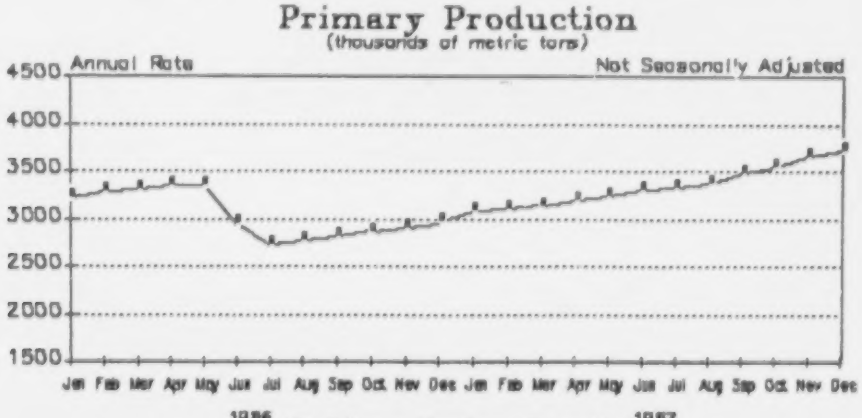
	1987 11 Mos.	1986 11 Mos.	% Change
Mill Products	11,979	11,445	4.7
Ingot	3,143	2,773	13.3
Total	15,122	14,218	6.4
Less Exports	1,117	833	34.2
Domestic Total	14,005	13,386	4.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

* * * * *

Primary Production Up 10 Percent for 1987

U.S. primary aluminum production averaged 10,189 metric ton daily during December 1987. This compares with an average of 8,128 metric tons a day in December 1986 and 10,007 metric tons a day in November 1987. The annual rate of production in December 1987 was 3,718,985 metric tons compared with 2,966,885 metric tons in December 1986 and 3,652,665 metric tons in November 1987. Actual production in December 1987 was 315,859 metric tons. Total primary production for the year 1987 was 3,346,178 metric tons, up 10.1 percent from the previous year.

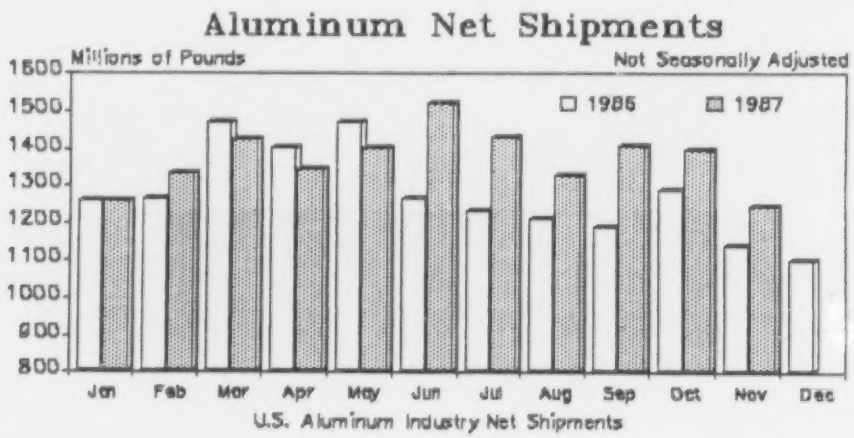


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Industry Net Shipments Up 6.4 Percent

Estimated total industry net shipments of 15,122 million pounds for eleven months of 1987 were up 6.4 percent from the eleven month 1986 total of 14,219 million pounds. Exports for ten months of 1987 of 1,117 million pounds were up 34.2 percent. Domestic shipments showed a 4.6 percent increase from a year ago. November shipments of 1,247 million pounds were up 9.1 percent versus a year ago.



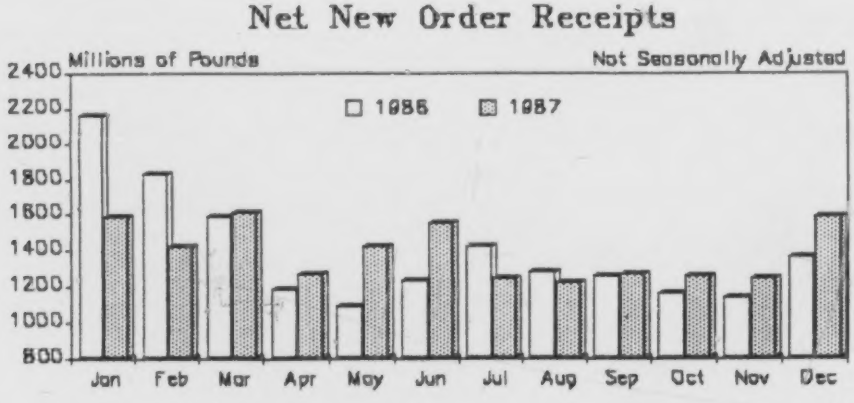
NET SHIPMENTS
(Millions of Pounds)

	1987* November	1986 November	1987 11 Mos.	1986 11 Mos.	% Change 1987 vs 1986
Sheet	541.2	466.2	6,418.4	5,882.0	9.1
Plate	22.1	17.5	246.5	227.6	8.3
Foil	67.5	68.2	794.6	797.1	-0.3
Rod,Bar & Wire	23.5	23.2	336.6	304.5	10.5
Elec. Conductor	45.9	41.2	568.1	585.3	-2.9
Extruded Shapes,Tube	214.1	207.1	2,557.2	2,527.1	1.2
Powder & Paste	7.4	6.1	89.5	89.7	-0.3
Forgings & Impacts	12.2	10.8	144.9	132.9	9.1
Net Imports of Mill Products (Total) (a)	79.1	100.0	823.6	899.0	-8.4
Total Mill Products	1,013.2	940.3	11,979.5	11,445.3	4.7
Ingot (b)	233.8	201.7	3,142.5	2,773.2	13.3
TOTAL INDUSTRY SHIPMENTS	1,247.0	1,142.0	15,122.0	14,218.5	6.4
Exports	120.1	88.1	1,117.0	832.6	34.2
TOTAL DOMESTIC SHIPMENTS	1,126.9	1,053.9	14,005.0	13,385.9	4.6

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(*) Latest month.

1987 New Order Receipts Decline 0.1 Percent

Estimated net new order receipts for twelve months 1987 of 16,726 million pounds declined by 0.1 percent versus the previous year. New order receipts for December 1987 of 1,590 million pounds jumped 27.7 percent over November orders of 1,245 million pounds. Note: Beginning with the February 1988 Aluminum Situation, the Association will publish a new order series replacing the current series. See insert in this issue for details.



ORDER RECEIPTS

(Millions of Pounds)

	1987* December	1986 December	1987 12 Mos.	1986 12 Mos.	% Change 1987 vs 1986
Can Stock (a)	216.7	249.6	3,418.7	3,463.9	-1.3
Sheet & Plate, Other	335.0	389.5	4,615.5	3,967.9	16.3
Foil	98.1	63.3	1,000.8	868.0	15.3
Rod,Bar & Wire	37.1	22.7	403.0	306.0	31.7
Electrical Conductor	53.2	50.4	649.8	644.0	0.9
Extruded Shapes & Tube	214.2	203.5	3,192.3	2,811.4	13.5
Powder & Paste	7.5	3.7	93.7	73.0	28.4
Forgings & Impacts	14.1	9.0	139.0	120.3	15.5
Domestic Mill Products	975.9	991.7	13,512.8	12,254.5	10.3
Ingot (Total)	529.3	300.2	2,164.4	3,729.2	-42.0
TOTAL DOMESTIC	1,505.2	1,291.9	15,677.2	15,983.7	-1.9
Exports	85.0	74.6	1,049.1	767.3	36.7
TOTAL ALL PRODUCTS	1,590.2	1,366.5	16,726.3	16,751.0	-0.1

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.
(*) Latest month.

Producer Inventories Increase 55 Million Pounds in November

Estimated producer inventories increased in November 1987 to a total of 4,268 million pounds. This represents a 55 million pound increase from the October 1987 level of 4,213 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Aug 87	4,304	1,388	596	2,320
Sep 87	4,153	1,337	598	2,217
Oct 87	4,213	1,424	590	2,198
Nov 87*	4,268	1,409	607	2,253

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month. Early estimates are available from the Association by subscription.

Consumer Inventories Reported at 35.6 Days

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of November 30, 1987 was 35.6, up 2.5 percent from October.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

Aug 87	34.4
Sep 87	34.2
Oct 87	34.7
Nov 87*	35.6

Source: Aluminum Association - Customer Inventory Position Survey
(*) Latest month.

U.S. IMPORTS & EXPORTS

(Millions of Pounds)

		1987* November	1986 November	1987 11 Mos.	1986 11 Mos.	% Change 1987 vs 1986
Imports	Mill Products	85.1	106.9	919.5	1,024.9	-10.3
	Ingot	206.3	200.1	2,544.2	2,803.5	-9.3
	Total	291.5	307.0	3,463.7	3,828.4	-9.5
	Scrap (+ dross)	31.1	42.6	390.0	344.4	13.2
	Grand Total	322.6	349.6	3,853.7	4,172.8	-7.6
Exports	Mill Products	55.9	45.0	575.3	417.5	37.8
	Ingot	64.2	43.0	541.7	415.0	30.5
	Total	120.1	88.1	1,117.0	832.5	34.2
	Scrap	64.6	65.1	746.1	704.9	5.8
	Grand Total	184.7	153.2	1,863.1	1,537.4	21.2
Net Imports		137.9	196.4	1,990.6	2,635.4	-24.5

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month.

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ESTIMATED MONTHLY INDUSTRY NET NEW ORDER RECEIPTS FOR ALUMINUM MILL PRODUCTS* - YEAR 1987

(Net Shipment Basis in Millions of Pounds)

REVISED BASIS

Issued: January 20, 1988

Month 1987	Total Net*	Sheet & Plate(a)	Can Stock(b)	Foil	Ext Shapes & Tube(c)	BR&W (d)	ACSR	Insul Cond.	Powder & Paste	Forgings &Impacts
JAN	1,267.3	464.7	431.4	76.4	194.8	24.6	21.5	28.5	8.6	16.9
FEB	1,187.5	545.0	235.5	79.9	216.6	35.1	19.4	32.2	11.4	12.6
MAR	1,285.1	470.1	374.8	97.9	220.2	37.6	28.7	33.9	8.6	13.2
1ST Q	3,739.9	1,479.7	1,041.8	254.2	631.5	97.3	69.6	94.5	28.6	42.7
APR	1,132.0	436.6	255.0	108.3	217.5	38.0	27.0	29.8	9.1	10.6
MAY	1,076.8	442.4	267.1	70.4	181.3	37.0	21.8	34.2	12.1	10.5
JUN	1,282.3	466.3	355.7	100.9	246.9	38.7	17.4	32.7	9.4	14.2
2ND Q	3,491.1	1,345.4	877.9	279.6	645.7	113.8	66.2	96.7	30.6	35.3
JUL	1,019.2	403.6	231.3	82.5	204.4	20.2	19.2	36.4	8.7	12.9
AUG	1,055.5	395.2	274.0	78.7	198.6	35.1	19.7	33.1	6.3	14.9
SEP	1,110.6	376.8	286.6	97.8	223.3	49.7	17.7	43.0	4.0	11.8
3RD Q	3,185.4	1,175.7	791.9	259.0	626.3	105.0	56.6	112.5	18.9	39.6
OCT	1,122.5	470.9	264.4	97.3	181.8	37.0	15.8	32.5	9.7	13.1
NOV	974.7	370.8	224.6	100.1	165.9	36.1	14.8	43.2	7.6	11.6
DEC	992.4	396.4	216.4	104.5	167.6	32.6	8.0	44.1	7.2	15.4
4TH Q	3,089.6	1,238.2	705.3	301.9	515.3	105.8	38.6	119.8	24.6	40.1
YEAR	13,506.1	5,238.9	3,416.8	1,094.7	2,418.8	421.8	231.0	423.6	102.8	157.7

NOTE:

* Comparable to NET Shipments as reported by Census in CIR Series M33-2, plus net imports of mill products.

(a) Excludes Can Stock; includes Welded Tube
(b) Imports of Can Stock included in Sheet & Plate
(c) Includes Drawn Tube
(d) Includes Extruded and Rolled & Cont. Cast Rod & Bar, and Bare Wire

The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received for the previous week. The Association expands these data to total industry utilizing an expansion ratio which is based on shipment data published by the Bureau of the Census that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it cannot, of course, guarantee the accuracy or completeness of the data.

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NOTICE TO SUBSCRIBERS

For some months the Aluminum Association Inc. has been evaluating changes to the Net New Order Receipts program. Beginning with the February issue of the Aluminum Situation, the Net New Order Receipts series will be revised to incorporate the following changes:

- Discontinue publication of "Total Domestic (Net) Ingot" from the Estimated Total Industry Orders series
- Discontinue the separate publication of "Exports" which included both Ingot and Mill Product exports.

These changes should result in Estimated Total Industry Orders which are more comparable to Industry Net Mill Products Shipments as reported by the Bureau of Census in the CIR Series M33-2, plus the net imports of mill products. See page 2 of the Aluminum Situation.

In addition, sample expansion techniques have also been revised to a more timely basis.

To assist subscribers, the Estimated Monthly Industry Net New Order Receipts for Aluminum Mill Products for the years 1984, 1985 and 1986 have been restated on the revised basis. For your convenience, we have enclosed a monthly summary on the new basis for the year 1987. Prior years are available upon request.

If you have any questions, please contact this office.